



## **VIA CFTC PORTAL**

21 April 2015

Mr Christopher Kirkpatrick  
Commodity Futures Trading Commission  
1155 21<sup>st</sup> Street NW  
Three Lafayette Centre  
Washington DC 20581

Dear Mr Kirkpatrick:

Pursuant to CFTC regulation §40.6(a), LCH.Clearnet Limited ("LCH.Clearnet"), a derivatives clearing organization registered with the Commodity Futures Trading Commission (the "CFTC"), is submitting for self-certification on changes in the start and end dates of accrual periods to calculate interest.

LCH.Clearnet intends the changes to take effect for members on 6 May 2015.

### **Part I: Explanation and Analysis**

LCH.Clearnet will simplify the interest period accruing interest on a calendar day basis from the first day of the month to the last calendar day of the month. The resulting interest would then be posted on the second business day of the month. The Default Fund interest period will also align to this new calendar day based accrual.

### **Part II: Description of Rule Changes**

LCH.Clearnet Limited Rulebook changes will be made to

- Paragraph 1.25.5 of Section 2C of the Procedures (*SwapClear*)
- Paragraph 1.10.4 of Section 2I of the Procedures (*ForexClear*)
- Paragraphs 1.6.2 and 1.9.2 of Section 3 of the Procedures (*Financial Transactions*)
- Paragraphs 3.5.4, 3.7 and 3.9 of the FCM Procedures.

The amendments reflect the changes of Interest and accommodation charges from the last calendar day of the previous month to the penultimate day of the current month to the first calendar day to the last calendar day of the current month.

**LCH.Clearnet Limited Aldgate House, 33 Aldgate High Street, London EC3N 1EA**  
Tel: +44 (0)20 7426 7000 Fax: +44 (0)20 7426 7001 [www.lchclearnet.com](http://www.lchclearnet.com)  
LCH.Clearnet Group Limited | LCH.Clearnet Limited | LCH.Clearnet SA | LCH.Clearnet LLC



### **Part III: Core Principle Compliance**

The rule amendments and other changes described above relate primarily to LCH.Clearnet's compliance with Core Principles B (Finance).

LCH.Clearnet has concluded that compliance with the Core Principles will not be adversely affected by this change.

### **Part IV: Public Information**

LCH.Clearnet has posted a notice of pending certification with the CFTC and a copy of the submission on LCH.Clearnet's website at:

<http://www.lchclearnet.com/rules-regulations/proposed-rules-changes>

### **Part V: Opposing Views**

There were no opposing views expressed to LCH.Clearnet by governing board or committee members, members of LCH.Clearnet or market participants that were not incorporated into the rule.

### **Certification**

LCH.Clearnet Limited hereby certifies to the Commodity Futures Trading Commission, pursuant to the procedures set forth in the Commission regulation § 40.6, that attached rule submission complies with the Commodity Exchange Act, as amended, and the regulations promulgated there under.

Should you have any questions please contact me at [suprio.chaudhuri@lchclearnet.com](mailto:suprio.chaudhuri@lchclearnet.com) .

Yours sincerely,

A handwritten signature in blue ink that reads 'Suprio Chaudhuri'.

Suprio Chaudhuri  
**Chief Compliance Officer**  
**LCH.Clearnet LLC**



**Appendix I – Rulebook Changes**



**LCH.CLEARNET LIMITED**

**PROCEDURES SECTION 2C**

**SWAPCLEAR CLEARING SERVICE**

---

### 1.25.3 *Affiliate Bidding*

SwapClear Clearing Members are entitled to bid for an Auction Portfolio on behalf of an affiliated SwapClear Clearing Member or affiliated FCM Clearing Member. Where a SwapClear Clearing Member makes a bid and that SwapClear Clearing Member has an affiliated SwapClear Clearing Member or FCM Clearing Member that does not make a bid, the Clearing House shall not (unless instructed otherwise in accordance with the paragraph below) assume that the bidding SwapClear Clearing Member has made the relevant bid on behalf of a non-bidding, affiliated SwapClear Clearing Member or affiliated FCM Clearing Member.

A SwapClear Clearing Member may notify the Clearing House, in advance of an Auction, that it wishes to bid on behalf of an affiliated SwapClear Clearing Member or affiliated FCM Clearing Member. Where it wishes to do so, the SwapClear Clearing Member should contact the Clearing House's Client Services Team (membership@lchclearnet.com; +44 (0)207 426 7949).

### 1.25.4 *Backup Clearing Members*

A SwapClear Clearing Client may appoint a Backup Clearing Member for the purposes of the porting of the SwapClear Contracts entered into by a SwapClear Clearing Member on its behalf, in accordance with the Client Clearing Annex.

Where, following the Default of a SwapClear Clearing Member, the Clearing House is notified of the existence of such a Backup Clearing Member in respect of a SwapClear Clearing Client, the Clearing House is entitled, in accordance with the Client Clearing Annex, to immediately and without notice to any person, send details of the Relevant Contracts and Account Balances to that appointed Backup Clearing Member. The Clearing House shall not require consent from any person in advance of sending these details.

Note: The appointment by a SwapClear Clearing Client of a Backup Clearing Member and the notification of a Backup Clearing Member to the Clearing House does not mean that SwapClear Contracts will always be transferred to that Backup Clearing Member. Porting of SwapClear Contracts, following a SwapClear Clearing Member's Default is always subject to the Clearing House's receipt of consent from the relevant Backup Clearing Member.

### 1.25.5 *Default Fund: SwapClear Contributions*

SwapClear Contributions (as defined in the Default Rules) will be ~~called via PPS~~ [notified to SwapClear Clearing Members](#) on the fourth working day of each month or more frequently pursuant to a determination of the SwapClear Contribution under S2(p) of the Default Rules (each a "**SwapClear Reset Day**").

[The Clearing House will notify SwapClear Clearing Members of the rate of interest that will apply to a Relevant Contribution. Interest on Relevant Contributions will be paid to SwapClear Clearing Members' PPS accounts on](#)

the third working day following the end of "interest accrual period". SwapClear Clearing Members will be repaid via PPS any excess Relevant Contribution amounts on the Reset Day immediately following the adjustment to the SwapClear Contribution.

The "interest accrual period" is considered as the first calendar day to the last calendar day of the current month.

~~Excess SwapClear Contribution amounts due to SwapClear Clearing Members following the adjustment to the SwapClear Contribution will be repaid to SwapClear Clearing Members' PPS accounts on the SwapClear Reset Day immediately following the adjustment to the SwapClear Contribution.~~

~~Interest on SwapClear Contributions will be paid to SwapClear Clearing Members' PPS accounts on the first working day after the SwapClear Reset Day following the end of the relevant "interest accrual period". Interest is calculated in respect of each "interest accrual period", which commences on (and includes) a SwapClear Reset Day and ends on (and includes) the calendar day immediately before the next SwapClear Reset Day. Notwithstanding the preceding paragraphs, if the rate of interest payable on SwapClear Contributions is negative, interest shall be payable by SwapClear Clearing Members to the Clearing House.~~

#### 1.25.6 *Quantifying SwapClear Contributions*

For the purposes of calculating the SwapClear Margin Weight under Rule S2(c) of the SwapClear Default Fund Supplement, the average daily requirement for initial margin applied to an SCM shall be determined by reference to the SwapClear Contracts comprising the SwapClear House Business of that SCM only. Nothing in the foregoing sentence shall prevent the Clearing House from introducing changes to the methodology used for calculating the SwapClear Margin Weight and, in particular, the average daily requirement for initial margin applied to an SCM for the purposes of such calculation may be determined by reference to the SwapClear Contracts comprising both the SwapClear House Business and the SwapClear Client Clearing Business of that SCM.

#### 1.25.7 *Outsourcing*

Pursuant to Section 1 (*Clearing Member and Dealer Status*) of the Procedures, an SCM may appoint a third party to fulfil one or both of the Clearing House's Membership requirements to: (i) participate in a SwapClear "fire drill" run by the Clearing House; and (ii) participate in the SwapClear DMP operated by the Clearing House. Where an SCM chooses to outsource one or both of these functions it must appoint and maintain at least three LCH Approved Outsourcing Agents.

The following entities are eligible for appointment as an LCH Approved Outsourcing Agent:

- (a) a SwapClear Clearing Member;



**LCH.CLEARNET LIMITED**

**PROCEDURES SECTION 2I**

**FOREXCLEAR CLEARING SERVICE**

---

- 1.10.2 *Acceptance of Bids:* In deciding whether to accept a bid, the Clearing House will generally accept the best bid in respect of any individual Auction. However, the Clearing House is entitled to reject a bid in the event that it considers, in its reasonable discretion that accepting the bid may:
- (a) cause the Clearing House to breach any legal or regulatory requirement applicable to it by virtue of its being a Recognised Clearing House or a Derivatives Clearing Organization;
  - (b) cause the Clearing House or its membership any reputational harm;
  - (c) cause legal action or proceedings to be taken against the Clearing House; or
  - (d) endanger the Clearing House, any of its clearing members or the financial markets in which the Clearing House operates.

Where the Clearing House receives more than one bid from the same ForexClear Clearing Member and in respect of the same Auction the Clearing House is entitled to accept the last bid received by it in respect of that Auction. Where the Clearing House does not receive a bid that was made by a ForexClear Clearing Member for operational, technological or other similar reasons and as a result of which a bid does not reach the Clearing House, the Clearing House will be unable to accept a bid and shall not be liable for any failure to accept such bid.

- 1.10.3 *Affiliate Bidding:* ForexClear Clearing Members are entitled to bid for an Auction Portfolio on behalf of an affiliated ForexClear Clearing Member. Where a ForexClear Clearing Member makes a bid and that ForexClear Clearing Member has an affiliated ForexClear Clearing Member that does not make a bid, the Clearing House shall not (unless instructed otherwise in accordance with the paragraph below) assume that the bidding ForexClear Clearing Member has made the relevant bid on behalf of a non-bidding, affiliated ForexClear Clearing Member.

A ForexClear Clearing Member may notify the Clearing House, in advance of an Auction, that it wishes to bid on behalf of an affiliated ForexClear Clearing Member. Where it wishes to do so, the ForexClear Clearing Member should contact the Clearing House's Client Services Team (membership@lchclearnet.com; +44 (0)207 426 7949).

- 1.10.4 *Default Fund: ForexClear Contributions:* ForexClear Contributions will be called via PPS notified to ForexClear Clearing Members on the fourth working day of each month or more frequently pursuant to a determination of the ForexClear Contribution under Rule F2(a) of the Default Rules (each a "**ForexClear Reset Day**"). ForexClear Contribution requirements will be notified to ForexClear Clearing Members at least two working days prior to each ForexClear Reset Day on Member Intranet Report 000032.

The Clearing House will notify ForexClear Clearing Members of the rate of interest that will apply to a ForexClear Contribution. Interest on ForexClear

Contributions will be paid to ForexClear Clearing Members' PPS accounts on the third working day following the end of "interest accrual period". ForexClear Clearing Members will be repaid via PPS any excess ForexClear Contribution amounts on the Reset Day immediately following the determination of the ForexClear Contribution.

The "interest accrual period" is considered as the first calendar day to the last calendar day of the current month.

~~Excess ForexClear Contribution amounts due to ForexClear Clearing Members following the adjustment to the ForexClear Contribution will be repaid to ForexClear Clearing Members' PPS accounts on the ForexClear Reset Day immediately following the adjustment to the ForexClear Contribution.~~

~~Interest on ForexClear Contributions will be paid to ForexClear Clearing Members' PPS accounts on the first working day after the ForexClear Reset Day following the end of the relevant "interest accrual period". Interest is calculated in respect of each "interest accrual period", which commences on (and includes) a ForexClear Reset Day and ends on (and includes) the calendar day immediately before the next ForexClear Reset Day.~~

- 1.10.5 *Quantifying ForexClear Contributions:* For the purposes of calculating the ForexClear Margin Weight under Rule F2(d) of the ForexClear Default Fund Supplement, the average daily requirement for the initial margin obligation applied to an FXCCM shall be determined by reference to the ForexClear Contracts comprising both the ForexClear House Business and the ForexClear Client Clearing Business of that FXCCM.
- 1.10.6 *Outsourcing:* Pursuant to Section 1 (*Clearing Member and Dealer Status*) of the Procedures, an FXCCM may appoint a third party to fulfil one or both of the Clearing House's Membership requirements to: (i) participate in a ForexClear "**fire drill**" run by the Clearing House; and (ii) participate in the ForexClear Default Management Process operated by the Clearing House. Where an FXCCM chooses to outsource one or both of these functions it must appoint and maintain at least three LCH Approved Outsourcing Agents.

The following entities are eligible for appointment as an LCH Approved Outsourcing Agent:

- A ForexClear Clearing Member
- any other entity that the Clearing House deems appropriate in its sole discretion.

Where an FXCCM wishes to appoint a third party to carry out any obligation on its behalf, it should contact the Clearing House's Membership Department with the:



**LCH.CLEARNET LIMITED**

**PROCEDURES SECTION 3**

**FINANCIAL TRANSACTIONS**

---

### 1.5.3 **Record of Collateral Provided**

Charges and interest shall be calculated in accordance with the information published on the website of the Clearing House.

### 1.5.4 **Use of a Defaulter's Collateral**

The order of priority (in which cash and non-cash Collateral are applied to cover Clearing Members' liabilities), set out elsewhere in this Section 1.5, does not necessarily reflect the order of priority of realisation or application of Collateral which the Clearing House may follow in the case of default by a Clearing Member. Post-default the Clearing House is entitled to realise and/or apply Collateral in whatever order it deems appropriate.

## 1.6 **Interest**

### 1.6.1 **Interest Rates**

The Clearing House applies interest to Clearing Member's cleared cash balances as published on the Clearing House's website.

### 1.6.2 **Payment of Interest and Charges**

Interest and accommodation charges are charged monthly, from the first calendar day to the last calendar day of the previous month to the penultimate day of the current month. Interest and accommodation charges are calculated on a daily basis and the resultant monthly total is posted to the relevant collateral account(s) of the Clearing Member for value at close of business on the ~~second~~third business day of the following ~~the penultimate day of the~~ month. A VAT invoice is also issued on the third business day of each month detailing the interest and accommodation charges applicable for the previous month. Separate invoices are issued for each currency which can be found on the Member Reporting Website.

VAT is charged, dependent on contract and accommodation charges, at current rates. On foreign currency amounts VAT is charged in sterling on the converted value of any relevant charges. The sterling collateral account shows separate postings for sterling VAT amounts arising from foreign currency charges.

The net invoice value for each currency is posted to the relevant collateral account for value on the second working day of the month succeeding the month in which the charges arose.

The invoice provides detail in respect of:

- (a) interest due to be credited or debited; and
- (b) accommodation charges.

VAT on accommodation charges is subject to the standard rate; some markets may be excluded.

## 1.7 Fees

Details of fees and refunds pending are collated during the month.

An invoice or credit note is produced detailing the fees to be posted to collateral accounts.

The invoice/credit note displays the type of fee, contract, future or option type, currency, fee rate, volume, fee amount, VAT amount, sub totals for each fee class and the overall total posted to a collateral account.

Monthly postings are processed via the relevant collateral account at the beginning of the following month, on the third working day. Other postings, such as various Market Maker Scheme rebates, are processed by the Clearing House following receipt of data from the relevant Exchange.

## 1.8 VAT Status

By default a Member will be charged VAT for transactions on applicable markets. If the Member's registered address is outside of the UK, or if the Member is acting out of their non-UK operations, they will be required to provide a written declaration that their place of operations is also outside the UK for VAT purposes.

If a Member extends to a VAT applicable market the Member will be requested to provide written confirmation that the operations address is the same as that stated on their application form. If the address is different, and is outside the UK, the Member will also be asked to confirm this in writing so they will not be charged VAT on transactions on that market.

## 1.9 Participation Monies

### 1.9.1 *Share Subscriptions*

Clearing Member share subscriptions will be called via PPS on a date advised by the Clearing House. They will be called from Clearing Members' house PPS account and subscriptions will be debited from the House Collateral Account.

### 1.9.2 *Default Fund Contributions: Commodities, Equities and Listed Interest Rates*

This Section 1.9.2 applies to Commodities Contributions, Equities Contributions and Listed Interest Rate Contributions (“**Relevant Contributions**”).

Relevant Contributions will be notified to Clearing Members called via PPS on the fourth working day of each month or more frequently pursuant to a determination of the Relevant Contribution under the applicable Supplement (each a “**Reset Day**”). Relevant Contribution requirements will be notified to Clearing Members at least two working days prior to each Reset Day on the report available on the Member website named “Member Default Fund” (REP000032).

~~The Clearing House will notify Clearing Members of the rate of interest that will apply to a Relevant Contribution. Interest on Relevant Contributions will be paid to Clearing Members' PPS accounts on the third working day following the end of "interest accrual period". Clearing Members will be repaid via PPS any excess Relevant Contribution amounts on the Reset Day immediately following the determination of the Relevant Contribution.~~

~~The "interest accrual period" is considered as the first calendar day to the last calendar day of the current month.~~

~~The Clearing House will, from time to time, notify Clearing Members of the rate of interest that will apply to a Relevant Contribution. Interest on Relevant Contributions will be paid to Clearing Members' PPS accounts on the first working day after the Reset Day following the end of the relevant "interest accrual period". Interest is calculated in respect of each "interest accrual period", which commences on (and includes) a Reset Day and ends on (and includes) the calendar day immediately before the next Reset Day. Notwithstanding the preceding paragraphs, if the rate of interest payable on Relevant Contributions is negative, interest shall be payable by Clearing Members to the Clearing House.~~

#### 1.9.3 ***Loss Distribution Charges: Commodities, Equities and Listed Interest Rates***

This Section 1.9.3 applies to Loss Distribution Charges called by the Clearing House under the Commodities Default Fund Supplement, the Equities Default Fund Supplement and/or the Listed Interest Rate Default Fund Supplement (each a "**Relevant Supplement**").

Loss Distribution Charges called under Rule 8 <http://www.lchclearnet.com/about-us/governance/end-user-notices> of the Relevant Supplement shall be called via PPS in the same currency as a Clearing Member's Relevant Contribution.

#### 1.9.4 ***Default Fund Contributions: RepoClear, SwapClear and ForexClear***

Provisions relating to RepoClear Contributions, SwapClear Contributions and ForexClear Contributions are set out in Section 2B (RepoClear), Section 2C (SwapClear) and Section 2I (ForexClear) of the Procedures, respectively.

### 1.10 **Clearing House Reporting**

The Clearing House (acting, where applicable, through the entity to which it has elected to delegate the relevant reporting obligation) shall report to a trade repository or similar body the details of a Contract and any modification or termination of such a Contract without duplication and no later than the working day following the conclusion, modification or termination of such Contract, in line with the requirements of applicable law.



**FCM PROCEDURES OF  
THE CLEARING HOUSE**

**LCH.CLEARNET LIMITED**

<u>Currency</u>	<u>PAI Rate</u>
	published by Norges Bank – as such rate appears on Reuters page “NOINTR=ECP” or any successor page(s) thereto

For currency NOK, PAI is calculated using an appropriate overnight deposit rate for the currency.

### 3.5.3 *Interest/Accommodation Structure*

<u>Application of Collateral</u>	<u>Type of Collateral</u>					
	<u>Credit Variation Margin</u>	<u>Performance Bonds</u>	<u>Securities</u>	<u>Cash</u>	<u>Foreign Cash</u>	<u>Forward Cash</u>
Initial & Variation margin after offset	No charge or payment	Charge 0.10%	Charge 0.10%	Pay relevant rate	pay relevant rate of Collateral currency	No charge or payment
Excess or Surplus	No charge or payment	No charge or payment	No charge or payment	Pay relevant rate	Pay relevant rate	No charge or payment

**Note:**

- 1 “Foreign Cash” means cash in a currency other than that of the liability.
- 2 “Forward Cash” means cash which has been credited to an account for later value (e.g., an amount called via PPS for next-day value).
- 3 This Section 3.5.3 only applies to Proprietary Accounts of FCM Clearing Members.

### 3.5.4 *Payment of Interest and Charges*

Interest and accommodation charges are charged monthly, from the [first calendar day to the last calendar day of the previous month to the penultimate day](#) of the current month. Interest and accommodation charges (other than PAI) are calculated on a daily basis and the resulting monthly total is posted to FCM Clearing Members' cover accounts for value [at close of business](#) on the [second ~~third~~ business day of the following ~~the penultimate day of the~~ month](#). A VAT invoice is also issued on the third business day of each month detailing the interest and accommodation charges applicable for the previous month. Separate invoices are issued for each currency which can be found on the Member Reporting Website.

VAT is charged where relevant, dependent on contract and accommodation charges, at current rates. On foreign currency amounts VAT is charged in sterling on the converted value of any relevant charges. The sterling Collateral account shows separate postings for sterling VAT amounts arising from foreign currency charges.

The net invoice value for each currency is posted to the relevant Collateral account for value on the second working day of the month succeeding the month in which the charges arose.

The invoice provides detail in respect of:

- (a) interest due to be credited or debited; and
- (b) accommodation charges;

VAT on accommodation charges is subject to the standard rate, some markets may be excluded.

### 3.6 Fees

Details of fees and refunds pending are collated during the month.

An invoice or credit note is produced detailing the fees to be furnished with respect to a Proprietary Account to which Margin is attributed.

The invoice/credit note displays the type of fee, contract, future or options type, currency, fee rate, volume, fee amount, VAT amount, sub totals for each fee class and the overall total Collateral in the relevant account.

Monthly postings are processed via the relevant account to which Collateral is posted at the beginning of the following month, on the third working day. Other postings, such as various Market Maker Scheme rebates, are processed by the Clearing House following receipt of data from the relevant Exchange.

### 3.7 Default Fund; SwapClear Contributions

SwapClear Contributions (as defined in the Default Rules) will be ~~called via PPS~~ notified to FCM Clearing Members on the fourth working day of each month or more frequently pursuant to a determination of the SwapClear Contribution under Rule S2(k) of the Default Rules (each, a “**SwapClear Reset Day**”). SwapClear Contribution requirements will be notified to the applicable FCM Clearing Members at least two working days prior to each SwapClear Reset Day on Member Intranet Report 000032.

The Clearing House will notify FCM Clearing Members of the rate of interest that will apply to a Relevant Contribution. Interest on SwapClear Contributions will be paid to FCM Clearing Members' PPS accounts on the third working day following the end of “interest accrual period”. FCM Clearing Members will be repaid via PPS any excess SwapClear Contribution amounts on the SwapClear Reset Day immediately following the adjustment to the SwapClear Contribution.

The “interest accrual period” is considered as the first calendar day to the last calendar day of the current month.

~~Excess SwapClear Contribution amounts due to FCM Clearing Members following the adjustment to the SwapClear Contribution will be repaid to FCM Clearing Members' PPS accounts on the SwapClear Reset Day immediately following the adjustment to the SwapClear Contribution.~~

~~Interest on SwapClear Contributions will be paid to FCM Clearing Members' PPS accounts on the first working day after the SwapClear Reset Day following the end of~~

~~the relevant “interest accrual period”. Interest is calculated in respect of each “interest accrual period”, which commences on (and includes) a SwapClear Reset Day and ends on (and includes) the calendar day immediately before the next SwapClear Reset Day.~~ Notwithstanding anything else herein, if the rate of interest payable on SwapClear Contributions is negative, interest shall be payable by FCM Clearing Members to the Clearing House.

### 3.8 Quantifying SwapClear Contributions

For the purposes of calculating the SwapClear Margin Weight under Rule S2(c) of the SwapClear Default Fund Supplement, the average daily requirement for Initial Margin applied to an FCM Clearing Member shall be determined by reference to the FCM SwapClear Contracts comprising the SwapClear House Business of that FCM Clearing Member only. Nothing in the foregoing sentence shall prevent the Clearing House from introducing changes to the methodology used for calculating the SwapClear Margin Weight and, in particular, with effect from 28 September 2012, the average daily requirement for Initial Margin applied to an FCM Clearing Member for the purposes of such calculation shall be determined by reference to the FCM SwapClear Contracts comprising both the SwapClear House Business and the SwapClear Clearing Client Business of that FCM Clearing Member.

### 3.9 Default Fund; ForexClear Contributions

ForexClear Contributions (as defined in the Default Rules) will be ~~called via PPS~~ notified to FCM Clearing Members on the fourth working day of each month or more frequently pursuant to a determination of the ForexClear Contribution under Rule F2(a) of the Default Rules (each a “ForexClear Reset Day”). ForexClear Contribution requirements will be notified to ForexClear Clearing Members at least two working days prior to each ForexClear Reset Day on Member Intranet Report 000032.

~~The Clearing House will notify FCM Clearing Members of the rate of interest that will apply to a Relevant Contribution. Interest on ForexClear Contributions will be paid to FCM Clearing Members’ PPS accounts on the third working day following the end of “interest accrual period”. FCM Clearing Members will be repaid via PPS any excess ForexClear Contribution amounts on the ForexClear Reset Day immediately following the adjustment to the ForexClear Contribution.~~

~~The “interest accrual period” is considered as the first calendar day to the last calendar day of the current month. Notwithstanding anything else herein, if the rate of interest payable on SwapClear Contributions is negative, interest shall be payable by FCM Clearing Members to the Clearing House~~

~~Excess ForexClear Contribution amounts due to ForexClear Clearing Members following the adjustment to the ForexClear Contribution will be repaid to ForexClear Clearing Members’ PPS accounts on the ForexClear Reset Day immediately following the adjustment to the ForexClear Contribution.~~

~~Interest on ForexClear Contributions will be paid to ForexClear Clearing Members’ PPS accounts on the first working day after the ForexClear Reset Day following the end of the relevant “interest accrual period”. Interest is calculated in respect of each~~

~~“interest accrual period”, which commences on (and includes) a ForexClear Reset Day and ends on (and includes) the calendar day immediately before the next ForexClear Reset Day.~~

### 3.10 **Quantifying ForexClear Contributions**

For the purposes of calculating the ForexClear Margin Weight under Rule F2(d) of the ForexClear Default Fund Supplement, the average daily requirement for Initial Margin applied to an FX FCM shall be determined by reference to the ForexClear Contracts comprising the ForexClear House and Client Business of that FX FCM only.

### 3.11 **Default Fund Contributions and Loss Distribution Charges: FCM EnClear Clearing Service and FCM Nodal Clearing Service**

For the FCM EnClear Clearing Service and FCM Nodal Clearing Service, Contributions will be called via PPS on the fourth working day of each month or more frequently pursuant to a determination of the Contribution under the Commodities Default Fund Supplement (each a “**Reset Day**”). Contribution requirements will be notified to FCM Clearing Members at least two working days prior to each Reset Day on the report available on the Member website named “Member Default Fund” (REP000032).

FCM Clearing Members will be repaid via PPS any excess Contribution amounts on the Reset Day immediately following the determination of the Contribution.

The Clearing House will, from time to time, notify FCM Clearing Members of the rate of interest that will apply to a Contribution. Interest on Contributions will be paid to FCM Clearing Members’ PPS accounts on the first working day after the Reset Day following the end of the relevant “interest accrual period”. Interest is calculated in respect of each “interest accrual period”, which commences on (and includes) a Reset Day and ends on (and includes) the calendar day immediately before the next Reset Day. Notwithstanding the preceding paragraphs, if the rate of interest payable on Contributions is negative, interest shall be payable by FCM Clearing Members to the Clearing House.

Loss Distribution Charges called under Rule C8 of the Commodities Default Fund Supplement shall be called via PPS in the same currency as an FCM Clearing Member’s Contribution.

### 3.12 **Clearing House Reporting**

The Clearing House (acting, where applicable, through the entity to which it has elected to delegate the relevant reporting obligation) shall report to one or more data or trade repository or similar body (including a swap data repository) the details of an FCM Contract and any modification or termination of such FCM Contract without duplication and no later than the working day following the conclusion, modification or termination of such FCM Contract, in line with the requirements of applicable law. In order to avoid any such duplication of reports, each FCM Clearing Member acknowledges and agrees that it will not report the details referred to in this paragraph